

**IOWA FINANCE AUTHORITY
BOARD MEETING MINUTES**

**Iowa Historical Building
600 E. Locust Street
Des Moines, Iowa**

May 2, 2007

BOARD MEMBERS PRESENT

Vince Lintz, Chair
Kay Anderson, Vice Chair
Carmela Brown, Treasurer
Steven Adams (via telephone)
Virginia Bordwell

Roger Caudron
David Erickson
Heather Kramer
Douglas Walter (via telephone)

STAFF MEMBERS PRESENT

Bret Mills, Executive Director
Mickey Carlson, Single-Family Program
Manager
Mark Fairley, Finance & Investment Manager
Steven Harvey, Director of Operations
Tim Jansen, Finance & Budget Manager
Craig Johnson, Underwriter
Joseph Jones, Director of Governmental
Affairs

Shawna Lode, Communications Director
Tim Morlan, Underwriter
Loyd Ogle, Director of Title Guaranty
Division
Carla Pope, Director of Affordable Rental
Production
James Smith, Deputy Director/CFO
Mark Thompson, General Counsel
Nancy Wallis, Administrative Assistant

OTHERS PRESENT

Joni DeVries – Wells Fargo Bank Iowa, NA
David Grossklaus – Dorsey & Whitney
Law Firm
Jina Lilly – State Treasurer's Office
Sheila Lumley – Polk County Housing Trust
Fund

Joe O'Hern – Fannie Mae
Rob Ritacca – Cuna
Bob Simons – Morain & Pugh, PLC
Kevin White - Cuna
Joe Whitsett - Pedcor

CALL TO ORDER

Chair Lintz called to order the May 2, 2007, regular meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:00 a.m. Roll call was taken and a quorum was established with the following members present: Lintz, Adams, Anderson, Bordwell, Brown, Caudron, Erickson, Kramer and Walter.

Chair Lintz welcomed Mr. David Erickson to the Iowa Finance Authority Board of Directors.

REVIEW AND APPROVAL OF MINUTES

April 4, 2007, Minutes

Chair Lintz introduced the minutes of the April 4, 2007, regular meeting of the IFA Board of Directors. On a motion by Ms. Anderson and a second by Ms. Brown, the Board unanimously approved the minutes of the April 4, 2007, Board meeting.

ADMINISTRATION / MANAGEMENT REPORT

Summary & Overview

Mr. Mills announced that the housing study update by Dr. Heather MacDonald has been completed, is being printed, and should be ready to distribute in June. He also announced that IFA has been in communication with HUD regarding the Risk-Share application, and IFA has been told that a decision about the application will be announced on May 22, 2007.

Mr. Mills reported that HUD staff performed a review of IFA's Section 8 Contract Administration Division. They provided positive comments about IFA's processes and reported positive feedback from Section 8 project managers and staff.

Mr. Mills noted that IFA staff held a press conference with First Lady Culver on April 18 to announce the Emergency Shelter Grant awards and Homeless Shelter Operations Grant awards.

Mr. Mills announced that Ms. Jane Larson recently joined IFA to work with TGD and the SRF program, and that Bob Vipond will join IFA on Friday, May 4, to work in the Information Technology Department as Software Development Specialist.

Mr. Mills updated the Board on several other items including IFA's Request for Proposal (RFP) for the Capital Adequacy Report, the proposed Community Colleges Affordable Construction Trades program and Iowa Coalition for Housing and the Homeless.

LEGAL / REGULATORY

Report on Low-Income Housing Tax Credit Appeals

Mr. Thompson reported that IFA participated in an administrative hearing on Thursday, April 26, 2007, for the five tax credit appeals from Community Housing Initiatives. He stated that the administrative hearing for the appeal from Metro Lofts is scheduled for May 10, 2007.

FINANCE AND ACCOUNTING

Review of Financial Statement

Mr. Harvey presented the quarterly financial results and referred to the summary in the Board packet. He summarized the details of IFA as a housing agency and of the SRF program.

Approval of March 2007 Financial Statement

MOTION: On a motion by Ms. Brown and a second by Ms. Bordwell, the Board unanimously approved the March 2007 Financial Statements.

Single-Family Authorizing Resolution

Mr. Fairley introduced a resolution authorizing the issuance of four series of bonds, to include 2007 Series D, E, F and G. He referred to the memo in the Board packet and provided explanation about the proposed bond issue. He answered questions from Board members and explained the proposed structure of the bonds.

MOTION: Ms. Kramer made a motion to approve a resolution adopting and approving series resolutions relating to Single-Family Mortgage Bonds, 2007 Series D, 2007 Series E, 2007 Series F and 2007 Series G, and authorizing the issuance, sale and delivery of the Authority's Single-Family Mortgage Bonds pursuant to such series resolutions; authorizing the execution and delivery of one or more Contracts of Purchase and a Continuing Disclosure Agreement; and delegating certain responsibilities to the Executive Director for finalizing certain matters, forms and contents of certain documents. On a second by Mr. Caudron, the Board unanimously approved the resolution.

Multifamily Authorizing Resolution

Mr. Smith introduced a resolution authorizing loans to Pedcor Investments for a development in Davenport and to Oakview Terrace I, L.P. for a development in Des Moines. He explained that IFA plans to issue two series of bonds, to include 2007 Series A for approximately \$12.7 million for Pedcor, and 2007 Series B for approximately \$9.3 million for Oakview Terrace I. Mr. Smith referred to the memo in the Board packet to summarize details of the bond issues, and said IFA plans to price the bonds on or about June 5, 2007, and close the issue on or about June 6, 2007.

MOTION: Ms. Bordwell made a motion to approve a resolution authorizing and approving first mortgage loans to Pedcor Investments-2006-LXXXIX, L.P. and Oakview Terrace I Limited Partnership, authorizing the issuance and sale of Iowa Finance Authority Multifamily Housing Bonds, 2007 Series A and 2007 Series B, authorizing and approving the execution and delivery of related documents, and delegating certain responsibilities to the Executive Director for approving the final terms of the 2007 Series A Bonds, the 2007 Series B Bonds and the forms and content of the related financing documents and the first loans to Pedcor Investments-2006-LXXXIX, L.P. and Oakview Terrace I Limited Partnership. On a second by Mr. Caudron, the Board unanimously approved the resolution.

ECONOMIC DEVELOPMENT LOAN PROGRAM

ED Loan #07-12, Wright Printing Co. Project

Mr. Smith introduced an application and inducement resolution for \$10,000,000 of Iowa Finance Authority Manufacturing Facility Revenue Bonds for the Wright Printing Co. project in Council Bluffs. He said the bonds will be used to construct and equip a production facility consisting of 100,000 square feet. Mr. Smith noted the project will require private activity bond cap.

RESOLUTION #07-12A

MOTION: Mr. Erickson made a motion to approve an application for \$10,000,000 of Iowa Finance Authority Manufacturing Facility Revenue Bonds (Wright Printing Co., Project), Series 2007, for Wright Printing Co. (the "Borrower"), and evidencing the intent to proceed with the issuance of \$10,000,000 Manufacturing Facility Revenue Bonds. On a second by Ms. Bordwell, the Board unanimously approved Resolution #07-12A.

ED Loan #07-13, Harvest BioFuels Garner, LLC Project

Mr. Smith introduced an application and inducement resolution for \$60,000,000 of Iowa Finance Authority Solid Waste Facility Revenue Bonds for the Harvest BioFuels Garner, LLC project near Garner in Hancock County. He stated the bonds will be used for the construction of certain portions of an ethanol plant dealing with the processing of a waste product, whole stillage, into distillers dry grains with soluble (DDGS), a marketable product. Mr. Smith noted the entire cost of the ethanol plant is estimated to be \$190 million and will require private activity bond cap.

RESOLUTION #07-13A

MOTION: Ms. Anderson made a motion to approve an application for \$60,000,000 of Iowa Finance Authority Solid Waste Facility Revenue Bonds (Harvest BioFuels Garner LLC Project), Series 2007, for Harvest BioFuels Garner LLC (the “Borrower”), and evidencing the intent to proceed with the issuance of \$60,000,000 Solid Waste Facility Revenue Bonds. On a second by Ms. Kramer, the Board unanimously approved Resolution #07-13A.

ED Loan #06-10, Oval Acquisitions, LLC (Windsor Windows) Project

Mr. Smith introduced an authorizing resolution for \$5,500,000 of Iowa Finance Authority Industrial Development Revenue Bonds for the Oval Acquisitions, LLC project in West Des Moines. He explained that the bonds will be used to construct and equip a manufacturing facility consisting of 103,000 square feet, to be leased to Windsor Windows for the production of vinyl windows and doors. Mr. Smith said the public hearing was held on April 4, 2007. He noted the project will require Private Activity Bond Cap.

RESOLUTION #06-10B

MOTION: Ms. Brown made a motion to approve a resolution authorizing the issuance of not to exceed \$5,500,000 of Iowa Finance Authority Industrial Development Revenue Bonds (Oval Acquisitions, LLC Project), Series 2007, for the purpose of making a loan to assist the borrower in the acquisition, construction and equipping of a project; authorizing the execution and delivery of certain financing documents pertaining to the project; authorizing an assignment of certain financing documents; and related matters. On a second by Ms. Anderson, the Board unanimously approved Resolution #06-10B.

ED Loan #07-05, Windsor on the River, LLC Project

Mr. Smith asked the Board to hold a public hearing regarding the issuance of an amount not to exceed \$24,000,000 of Iowa Finance Authority Variable Rate Demand Multifamily Housing Revenue Bonds for the Windsor on the River, LLC project located at 2200 Buckingham Drive in Cedar Rapids. He stated the bonds will be used for the acquisition and renovation of a 424-unit apartment complex including exterior improvements, unit upgrades, site lighting and landscaping. Mr. Smith said the project will require private activity bond cap.

Public Hearing: Chair Lintz opened a public hearing at 11:31 a.m. regarding the issuance of an amount not to exceed \$24,000,000 of Iowa Finance Authority Variable Rate Demand Multifamily Housing Revenue Bonds for the Windsor on the River, LLC project in Cedar Rapids. Mr. Smith said IFA had received no written or verbal comments regarding the project. There being no comments from the audience, Chair Lintz closed the public hearing at 11:32 a.m.

Mr. Smith introduced an authorizing resolution for \$24,000,000 of Iowa Finance Authority Variable Rate Demand Multifamily Housing Revenue Bonds for the Windsor on the River, LLC project in Cedar Rapids. He noted the Board adopted the inducement resolution on March 14, 2007.

RESOLUTION #07-05B

MOTION: Ms. Kramer made a motion to approve a resolution authorizing the issuance of not to exceed \$24,000,000 total aggregate principal amount of Iowa Finance Authority Variable Rate Demand Multifamily Housing Revenue Bonds (Windsor on the River, LLC Project), Series 2007A, and Iowa Finance Authority Taxable Variable Rate Demand Multifamily Housing Revenue Bonds (Windsor on the River, LLC Project), Series 2007B, for the purpose of making a loan to assist the borrower in the acquisition, construction and equipping of a project; authorizing the execution and delivery of certain financing documents pertaining to the project; authorizing an assignment of certain financing documents for further securing the payment of the bonds; authorizing the sale of the bonds; authorizing the appointment of a trustee; and related matters. On a motion by Mr. Walter, the Board unanimously approved Resolution #07-05B.

ED Loan #07-06, Deerfield Retirement Community Project

Mr. Smith asked the Board to hold a public hearing regarding the issuance of an amount not to exceed \$50,000,000 of Iowa Finance Authority Senior Living Facility Revenue Refunding Bonds for the Deerfield Retirement Community, Inc. Project in Urbandale. He stated the bonds will be used to refund 2003 bonds, which were used to construct and equip a continuing care retirement facility located at 13731 Hickman Road in Urbandale. Mr. Smith noted this project will not require private activity bond cap.

Public Hearing: Chair Lintz opened a public hearing at 11:33 a.m. regarding the issuance of an amount not to exceed \$50,000,000 of Iowa Finance Authority Senior Living Facility Revenue Refunding Bonds for the Deerfield Retirement Community, Inc. Project in Urbandale. Mr. Smith said IFA had received no written or verbal comments regarding the project. There being no comments from the audience, Chair Lintz closed the public hearing at 11:34 a.m.

Mr. Smith introduced an authorizing resolution for \$50,000,000 of Iowa Finance Authority Senior Living Facility Revenue Refunding Bonds for the Deerfield Retirement Community, Inc. Project in Urbandale. He said the Board adopted the inducement resolution on March 14, 2007.

RESOLUTION #07-06B-1

MOTION: Mr. Adams made a motion to approve a resolution authorizing the issuance of not to exceed \$50,000,000 of Iowa Finance Authority Senior Living Facility Revenue Refunding Bonds (Deerfield Retirement Community, Inc.), Series 2007A and Series 2007B, for the purpose of refunding two series of bonds issued by the Iowa Finance Authority for the benefit of the borrower, authorizing the execution and delivery of certain financing documents, authorizing an assignment of certain financing documents for further securing the payment of the bonds, authorizing the sale of the bonds, authorizing the appointment of a trustee, and related matters. On a second by Ms. Brown, the Board unanimously approved Resolution #07-06B-1.

ED Loan #616, IPSCO Project

Mr. Smith introduced a resolution authorizing an amendment to the loan agreement relating to bonds issued in 1997 for IPSCO Inc. He said the bonds were used to finance the acquisition,

construction and equipping of solid waste disposal facilities at the IPSCO Steel Inc. manufacturing plant in Muscatine. Mr. Smith stated the borrower plans to remarket the bonds, and has asked to remove certain financial covenants in the loan agreement. He noted the borrower also plans to assign their interests and obligations to IPSCO Steel Inc. Mr. David Grossklaus responded to questions about the financial covenants the borrower has asked to have removed from the loan agreement.

RESOLUTION #616B-2

MOTION: Mr. Walter made a motion to approve a resolution authorizing the execution of a second amendment to the loan agreement relating to the Authority's \$14,715,000 Iowa Finance Authority Solid Waste Disposal Revenue Bonds (IPSCO Project), Series 1997. On a second by Ms. Anderson, the Board unanimously approved Resolution #616B-2.

STATE REVOLVING FUND PROGRAM

Planning and Design Loan Resolution

Mr. Smith introduced a resolution to approve Planning and Design Loans for the cities of Keokuk, Kelley, Clinton, Correctionville, Fort Madison, Rock Valley, and Lisbon and for Polk County. He said the loans will be at 0 percent interest for up to three years, with the funds to be used for the planning and design phases of wastewater and drinking water infrastructure projects. Mr. Smith reported that the total for these projects is \$5,053,000. He noted that with the adoption of this resolution, IFA will have approved Planning and Design Loans for 116 projects totaling \$30,048,494.

MOTION: On a motion by Ms. Bordwell and a second by Mr. Caudron, the Board unanimously approved the Planning and Design Loan Resolution.

HOUSING PROGRAMS

Affordable Rental Production

Resolution – Offer of Remaining Tax Credits to Whitman Point

Ms. Pope introduced a resolution offering unallocated Low-Income Housing Tax Credits to Whitman Point. She explained that when the 2007 round of tax credits was awarded on March 14, 2007, there was \$6,423 remaining after the last project was funded. Ms. Pope said that according to the 2007 Qualified Allocation Plan (QAP), any remaining credits will be offered to the next project on the list, but because the amount was so small, staff did not make that offer. She said staff now recommends that the Board offer the remaining credits to Whitman Point, which will allow the developer to accept that amount or request to be placed on the waiting list for the full amount as unused credits are returned by other projects.

MOTION: Ms. Anderson made a motion to award \$6,423 in Low-Income Housing Tax Credits to the Whitman Point project, #07-19, proposed for Waterloo, Iowa. As provided by section 6.2.1 of the QAP, the Ownership Entity for the Whitman Point project may decide whether to accept the partial tender of tax credits or to be placed on the waiting list for the full amount of the requested tax credits. On a second by Ms. Kramer, the Board unanimously approved the resolution offering the remaining tax credits from the 2007 allocation round to Whitman Point.

Resolution – State Housing Trust Fund 2008 Allocation Plan and Notice of Intended Action

Ms. Pope introduced a resolution and Notice of Intended Action that directs how the money in the State Housing Trust Fund will be allocated to the local housing trust fund program. She explained the changes that were made from the previous plan, including the fact that there will now be an allocation plan for the local housing trust fund program and a separate one for the project-based housing program. Ms. Pope said staff will present the allocation plan for the project-based housing program to the Board at the June 6, 2007, Board meeting.

Ms. Pope reported that staff will hold a public hearing on the allocation plan on June 12, 2007, with public comments being received until 4:00 p.m. on that date. She said staff members expect to present the final plan to the Board on July 11, 2007, for approval.

Ms. Pope said there are currently 13 Local Housing Trust Funds, with five more at various stages of development.

MOTION: Mr. Caudron made a motion to approve the draft of the 2008 Local Housing Trust Fund Allocation Plan and the Notice of Intended Action. On a second by Ms. Bordwell, the Board unanimously approved the resolution.

LEGISLATIVE

Mr. Jones reported that the state legislative session ended at 1:00 a.m. on Sunday, April 30, 2007. He said he will prepare a full update of the session for the Board after he meets with caucus staff.

Mr. Jones announced that on April 10, 2007, Governor Culver signed IFA's Chapter 16 rewrite bill and the mortgage release bill for Title Guaranty. He summarized other legislation, stating that the Legislature approved \$700,000 for the Home- and Community-Based Services Rent Subsidy Program, \$4 million for the Wastewater Treatment Financial Assistance Program, \$1 million for the Veterans Homeownership Assistance Program and \$200,000 for the Entrepreneurs with Disabilities Program.

Mr. Jones also provided an update on federal legislation based on information included in the Board packet.

TITLE GUARANTY DIVISION (TGD)

Mr. Ogle reported that TGD staff held trainings and regional academies in April involving 220 participants. He said TGD staff will hold more regional academies in May.

Mr. Ogle said the June IFA Board agenda would probably include a request for waiver of administrative rules, which the IFA Board is required to hear rather than the TGD Board.

Mr. Ogle also noted that TGD will issue a Request for Proposal for reinsurance. He said he hopes to announce the selection at the TGD Board meeting on June 5, 2007.

COMMUNICATIONS

Ms. Lode reported that IFA had produced new brochures for FirstHome with updated purchase price and income limits, and for TGD announcing the free Owners Certificates. She said realtors and lenders would be notified that the brochures are available.

Ms. Lode announced that June is Homeownership Month, and that she is working on events to promote homeownership around the state. She also noted that plans are progressing for the lender gala scheduled for June 8 and announced the speakers and special participants.

MISCELLANEOUS ITEMS

Receive Comments from General Public

Chair Lintz opened the public comment period and asked if anyone in the audience would like to address the Board.

Mr. Bob Simons from Morain & Pugh Law Firm spoke as representative of Mr. Bob Burns of Sagamore Development, LLC. He spoke about the offer of remaining tax credits for Whitman Point.

There being no other audience members wishing to address the Board, Chair Lintz closed the public comment period.

ADJOURNMENT

Chair Lintz announced that the next IFA Board meeting would convene at 10:45 a.m. on Wednesday, June 6, 2007, in Classrooms A & B of the Iowa Historical Building located at 600 E. Locust Street in Des Moines.

There being no further business, on a motion by Mr. Adams and a second by Mr. Caudron, the May 2, 2007, meeting of the IFA Board of Directors adjourned at 12:16 p.m.

Dated this 6th day of June 2007.

Respectfully submitted:

Approved as to form:

Bret L. Mills
Executive Director
Iowa Finance Authority

Vincent C. Lintz, Chair
Iowa Finance Authority